

ACTION AIT-00

INFO	LOG-00	EEB-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
	DINT-00	DODE-00	DOEE-00	DOTE-00	DS-00	EAP-00	DHSE-00
	EXIM-01	E-00	FAAE-00	FBIE-00	VCI-00	FRB-00	H-00
	TEDE-00	INR-00	ITC-01	MOFM-00	MOF-00	VCIE-00	NSAE-00
	ISN-00	NSCE-00	OES-00	OMB-00	NIMA-00	MA-00	ISNE-00
	DOHS-00	FMPC-00	SP-00	SSO-00	SS-00	STR-00	NCTC-00
	BBG-00	R-00	IIP-00	DSCC-00	PRM-00	DRL-00	G-00
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TAGS: [SENV](#) [ECON](#) [PGOV](#) [PREL](#) [ETRD](#) [TW](#) [CH](#)

SUBJECT: TAIWAN EXPANDS ENVIRONMENTAL COOPERATION WITH THE
PRC

Classified By: AIT Deputy Director Robert S. Wang for reasons 1.4 (b) a
nd (d)

11. (C) SUMMARY. Unofficial Taiwan-PRC interaction on the environment has been ongoing since 1987, primarily sponsored by academic institutions advising Taiwan companies investing in the PRC. These exchanges have since grown, and private Taiwan entities regularly advise PRC government agencies on a range of environmental concerns. President Ma is reportedly keen to expand cooperation with the PRC on the environment, and is looking at options. A Ma advisor has urged U.S. companies with offices in Taiwan and the PRC to take the lead in supporting environmental projects of interest to both sides, such as transboundary air pollution and water management. Private suppliers and NGOs in Taiwan believe official agreements on the environment would facilitate their work on the Mainland, as they would give legitimacy to their presence there. However, our interlocutors also want expanded cross-Straits cooperation to proceed cautiously, as they worry official agreements could help environmental exchange but hurt Taiwan's autonomy. END SUMMARY.

BACKGROUND ON TAIWAN ENVIRONMENTAL WORK IN THE PRC

12. (C) ESTH officer recently met with Chiang Pen-chi, head of National Taiwan University's environmental program. Chiang noted that Taiwan held a series of conferences with Tsinghua University, Xian Jiaotong University, Southeast University and other Chinese academic institutions in 1987. At the time, Chiang was advising Taiwan companies investing in the PRC on pollution control, and said Taiwan's expertise in this field was very welcome in China at the time. According to Chiang, there were major breakthroughs, including the 1995 use of Taiwan's waste disposal law as a model for China's, which brought some consistency to environmental regulations on both sides of the Strait. Taiwan's provision of collaborative assistance and expertise persisted through the mid-1990s, after which China took advantage of returning overseas talent and growing economic muscle to start taking its own pollution control initiatives. In Chiang's view, the political line followed by then-President Lee Teng-hui hurt cross-Straits cooperation and effectively prevented Taiwan from capitalizing on its environmental-arena edge in the PRC. However, unofficial exchanges have continued, and some Taiwan academics have

advised PRC agencies on pollution issues.

GREEN LIGHT FOR ENVIRONMENTAL COOPERATION WITH THE PRC

13. (C) Chiang noted that he has regular contact with Taiwan EPA chief Steven Shen, and drafted President Ma's Environmental White Paper during the 2008 presidential campaign. Chiang said he has authority from President Ma to explore avenues of environmental cooperation with the PRC, and added that the topic may be included in the SEF-ARATS talks slated to be held in China this spring. Chiang supported the idea of sending environmental task forces to the Mainland to conduct on-site remediation or advisory work. In his analysis, such an initiative would be similar to the agricultural assistance teams Taiwan sent to aid developing countries in the 1960s. Chiang said the current channel for such efforts is China Technical Consultants (CTCI), an NGO with both official and private-sector links. Several cross-Strait conferences are planned for 2009 in China, some sponsored by U.S. entities such as the American Society of Civil Engineers (ASCE). Chiang noted that the conferences will focus on energy utilization and air pollution, watershed management, solid waste disposal, recycling, and eco-industrial parks. Chiang asserted that future platforms for academic exchange will be between Taiwan's Chinese Institute of Environmental Engineering and its PRC counterpart, Shanghai's Tongji University.

U.S. COMPANIES AS CATALYST FOR INCREASED DIALOGUE?

14. (C) Chiang expressed the hope for more U.S. involvement in facilitating PRC-Taiwan cooperation on environmental concerns, but conceded there are difficulties associated with such efforts. He suggested that U.S. companies with offices in both the PRC and Taiwan could support environmental projects of interest to both sides, including air and water pollution. However, Chiang said Taiwan should not move too quickly toward concluding a bilateral environmental agreement

with the PRC, since this could hinder the current informal exchanges and potentially interject a political element into an otherwise scientific dialogue. Chiang said Taiwan still has much to offer the PRC in terms of environmental expertise, contrasting Taiwan's environmental experts, now in their fifties, with their counterparts in the PRC whose skills went undeveloped during the Cultural Revolution's decade of chaos.

TAIWAN STILL COMPETITIVE IN WASTE RECYCLING

15. (C) ESTH Officer recently met with Jack Y.C. Pai, Chairman of the Taiwan Environmental Manufacturers Association, about the association's experience in the PRC. Pai affirmed there is extensive interaction, but most of his work is as liaison and supplier to Taiwan companies operating on the Mainland. He also provides assistance to PRC companies. Most of the supplies are provided to PRC companies; incinerators, for example, are used for waste-treatment and recycling. Pai said Taiwan companies enjoy certain advantages in China, as they can outsource part of their production to foreign companies, while PRC companies are more restricted. Pai said Taiwan companies do not bid on public projects in China because their unique status does not guarantee competition on an equal footing with PRC competitors. Peter Yung, Vice President of the private environmental consulting firm Capital Engineering Corporation, told us that although the PRC has invested 750 billion RMB (USD 109 billion) on the environment in its 11th five-year plan, Taiwan has limited potential to contribute to the pollution control effort, since the PRC has both the talent and economic muscle to buy what it needs directly from the source. Yung said Taiwan has failed to develop cutting-edge environmental products because its small firms

do not always have the capital required to do so. Based on its strong track record, however, Taiwan can still benefit from the cross-Strait thaw with waste management and recycling projects. Yung saw economic and trade issues continuing to dominate the SEF-ARATS talks, and thus did not anticipate the environment becoming a top priority.

NGOS : OFFICIAL AGREEMENT WOULD HELP THEIR ONGOING WORK

16. (C) AIT met with staff from the Taiwan Environmental Information Association (TEIA) to get insight into what NGOs are doing to promote environmental cooperation between Taiwan and the PRC. TEIA Vice Secretary General Sharlin Shia said TEIA regularly invites PRC NGO representatives to Taiwan for discussions and field trips, and reciprocates by sending TEIA staffers from Taiwan to the PRC. TEIA also promotes the establishment of environmental trusts to protect threatened lands and help restore them to their original state. Shia said TEIA wishes to establish a partnership with Taiwan officials, and hopes in the long term to get more visibility at meetings and conferences overseas. Shia lamented the disadvantage of Taiwan's limited exposure to international organizations. In her view, this limited exposure has left Taiwan without vital knowledge on how to interact with the international community. Without this knowledge, she maintained, Taiwan NGOs cannot be full participants in international efforts, or garner needed attention for their causes. Shia hopes both the PRC and Taiwan can work on this issue at an official level, preventing Taiwan NGOs from being passed over at such gatherings.

17. (C) COMMENT. Given underlying political sensitivities, any cross-Strait environmental cooperation agreement will face obstacles linked to Taiwan's relationship with China. For Taiwan academics and private firms, getting too close to China carries the risk of Taiwan being treated as a junior partner. At the same time, however, many in the Taiwan environmental community understand that a small window of opportunity is fast disappearing as PRC expertise in curbing pollution grows along with its economic clout. Regardless, cross-Strait environmental cooperation is only likely to grow with time, and provides the U.S. with a valuable opportunity to reinforce our own efforts to enhance environmental protection efforts in the region. END COMMENT
YOUNG